


**STATE OF DELAWARE**  
**OFFICE OF**  
**AUDITOR OF ACCOUNTS**

**DEPARTMENT OF HEALTH & SOCIAL  
SERVICES**  
**DIVISION OF DEVELOPMENTAL DISABILITIES  
SERVICES**  
**FAMILY SUPPORT SPECIALIST VENDOR PAYMENTS  
SPECIAL INVESTIGATION**  
**FIELDWORK END DATE: SEPTEMBER 17, 2009**

The seal of the State of Delaware is centered in the background of the text. It features two figures, a Native American on the left and a Revolutionary War soldier on the right, flanking a central shield. The shield contains a ship and a cow. The words "SEAL OF THE STATE OF DELAWARE" and "1776" are visible around the perimeter of the seal.

**R. THOMAS WAGNER, JR., CFE, CGFM, CICA**  
**AUDITOR OF ACCOUNTS**

Townsend Building, Suite 1  
401 Federal Street  
Dover, DE 19901  
TELEPHONE 302-739-4241  
FACSIMILE 302-739-2723  
[www.state.de.us/auditor/index.htm](http://www.state.de.us/auditor/index.htm)



State of Delaware  
Office of Auditor of Accounts  
R. Thomas Wagner, Jr. – CFE, CGFM, CICA  
**At a Glance**

*Working Hard to Protect YOUR Tax Dollars*

**Why We Did This Review**

The Office of Auditor of Accounts (AOA) received an allegation that the Division of Developmental Disabilities Services (DDDS) is not paying the Family Support Services Contractors in a timely manner.

**Background**

Family Support Services is a unit within the Division for Developmental Disabilities Services (DDDS) and provides support to families and assists in easing the difficulties and demands involved in caring for an individual with developmental disabilities.

**For further information on this release, please contact:**

**Chris Cooper**  
(302) 857-3945 Direct

**FAMILY SUPPORT SPECIALIST VENDOR PAYMENTS**

**What We Found**

The current process allows Family Support Specialist invoices to be paid on average 13 days after the invoice is received. Thus, the average payment time of 13 days is well within the legal 30-day requirement. However, processes developed by DDDS to ensure timely processing and redundant document review processes have slowed down vendor payments by 6 days and have caused a conservatively estimated cost increase of over \$5,000 annually.

Discussion with DDDS employees disclosed that *all* DDDS payment transactions are initially reviewed and processed through the DDDS Dover Facility, and all documentation is sent to the Department of Health and Social Services (DHSS) at the Herman Holloway Campus Facility for final approval. Although AOA calculates a potential \$5,000 annual savings by streamlining the processing and approval of Family Support Specialist invoices. The potential saving may be far greater if all DDDS invoices were approved for payment at the DDDS Dover Facility. The approval process at the DHSS Herman Holloway Campus Facility appears redundant and current resources may be redeployed to more productive duties.

**What We Recommend**

Processes should be enhanced to allow the DDDS Dover Facility to authorize and initiate payments to Family Support Specialists. Additionally, management should consider allowing the DDDS Dover Facility to approve payments for all DDDS vendors. Management may wish to reevaluate the staff deployment at the DHSS Herman Holloway Campus Facility in New Castle.

Management should reassess the current process of hand delivering documents between facilities. Resources currently devoted to document delivery maybe used for tasks that are more crucial.

**Please read the complete report for a full list of findings/recommendations and to review the Division of Developmental Disabilities Services response to our findings.**

---

# TABLE OF CONTENTS

---

Audit Authority	1
Allegation and Background	2
Objectives, Scope, and Methodology	3
Conclusions	4
Findings and Recommendations	6
Distribution of Report	8

---

# AUDIT AUTHORITY

---

Title 29, Del. C. c. 29 authorizes the Auditor of Accounts to file written reports containing:

1. Whether all expenditures have been for the purpose authorized in the appropriations;
2. Whether all receipts have been accounted for and paid into the State Treasury as required by law;
3. All illegal and unbusinesslike practices;
4. Recommendations for greater simplicity, accuracy, efficiency, and economy; and
5. Such data, information, and recommendations as the Auditor of Accounts may deem advisable and necessary.

---

# ALLEGATION AND BACKGROUND

---

## **ALLEGATION**

The Office of Auditor of Accounts (AOA) received an allegation that the Division of Developmental Disabilities Services (DDDS) is not paying the Family Support Services Contractors in a timely manner.

## **BACKGROUND**

Family Support Services is a unit within the Division for Developmental Disabilities Services (DDDS) and provides support to families and assists in easing the difficulties and demands involved in caring for an individual with developmental disabilities.

---

# OBJECTIVES, SCOPE, & METHODOLOGY

---

## **OBJECTIVES**

The objective of the investigation was to determine whether payments to vendors of the Division of Developmental Disabilities Services (DDDS) were made timely and efficiently.

## **SCOPE**

The scope of the investigation was for the period of January 1, 2009 through June 30, 2009.

The investigation was performed in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Investigations*.

## **METHODOLOGY**

The investigative approach included:

- Interview and inquiry.
- Inspection and confirmation of documentation.
- Observation.

---

# CONCLUSIONS

---

## Allegation

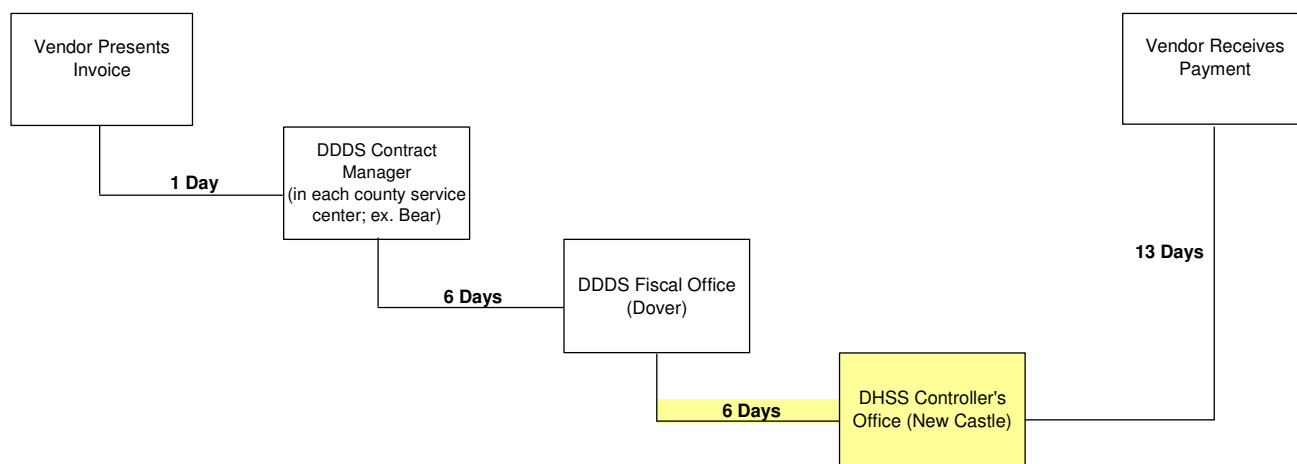
The Office of Auditor of Accounts (AOA) received an allegation that the Division of Developmental Disabilities Services (DDDS) is not paying the Family Support Services Contractors in a timely manner.

## Results of Testing

Both Delaware Code, Title 29, Chapter 65, Section 6516 and the State of Delaware *Budget & Accounting Manual* states the State should issue payments to vendors within 30 days of presentation of a valid invoice. AOA reviewed a total of 58 transactions totaling \$345,319.94. Of the 58 transactions, 48 transactions were for Family Support Specialists and 10 transactions were other DDDS vendors.

The current process enabled most invoices to be paid, on average, 13 days after the invoice receipt. The average payment of 13 days is well within the legal 30-day requirement. However, the current DDDS process includes redundant document review steps that have slowed vendor payment processing by 6 days and have caused a conservatively estimated cost increase of over \$5,000 per year. The following chart briefly describes the existing process.

## Recommended Process



**Total Vendor Payment Time: 13 Days**

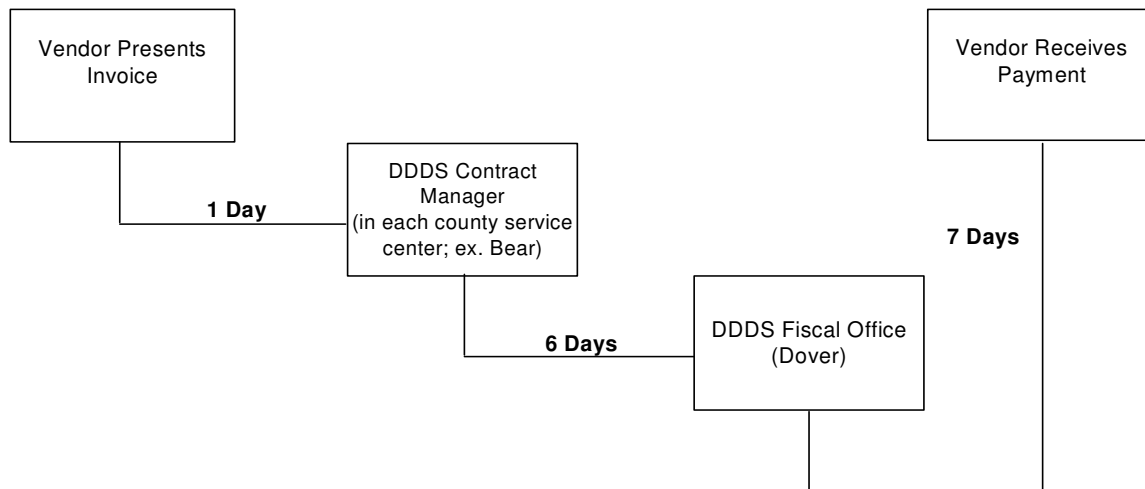
The document review process performed at the DHSS Controller's Office in New Castle is redundant. The DDDS Dover office performs a similar review through their peer review process. Based on labor hours and rates provided by the Department of Health and Social Services (DHSS) the State can save an average of 260 hours per year (\$3,465.02) in employee resources just by eliminating the document review function at the DHSS Controller's Office in New Castle for Family Support Specialist payments. Discussion with DDDS management revealed that all DDDS vendor payments are reviewed by DHSS.

---

# CONCLUSIONS

---

As a result, further efficiencies and savings may be gained by eliminating the review of all DDDS payments at DHSS. In addition, AOA determined that DDDS is using DDDS employees to deliver documents to their DDDS Dover Facility and the DHSS Controller's Office. Based on labor hours and rates provided by DDDS, if the agency uses the State courier service there will be an average annual savings of approximately \$2,132.00. Below is a chart of the recommended process for Family Support Specialist payments.



**Total Vendor Payment Time: 7 Days**

## Conclusion

Partially substantiated.



---

# FINDINGS AND RECOMMENDATIONS

---

## **Finding #1 – Family Support Specialist Payment Processing**

### ***Criteria***

According to the *Government Auditing Standards*, Chapter 7, Field Work Standards for Performance Audits, "Controls over program operations include policies and procedures that the audited entity has implemented to provide reasonable assurance that a program meets its objectives, while considering cost-effectiveness and efficiency."

Additionally, Title 29, Del. C. c. 29 authorizes the Auditor of Accounts to file written reports containing "recommendations for greater simplicity, accuracy, efficiency, and economy."

### ***Condition***

Current payment processes at the Department of Health and Social Services (DHSS) delay vendor payments by six days and impose increased costs to the taxpayer with little added benefit.

Family Support Specialists perform services to families living with special needs children and adults. These contractors provide the interface with the individuals and families and coordinate services for special needs. Currently, the State has 24 contracts with specialists in all three counties. The contractors are paid on a per hour basis and receive no State benefits. In the absence of the contractor program, State employees would most likely provide these services.

In order to ensure timely payment to these individual contractors, the Division of Developmental Disabilities Services (DDDS) goes through a specialized coordination and delivery process. Contractor invoices are physically received at the Fox Run office building (for New Castle County) and the Stockley Center (for Kent and Sussex Counties) where a State contract manager approves the invoices. The approved invoices are hand-delivered by the contract manager (or other professional staff) to the DDDS Dover Facility. The delivery of documents by DDDS staff is time consuming and may result in the loss of productivity by requiring DDDS professional staff to perform a function that is already provided by other State employees via the State's courier staff.

The DDDS Dover Facility performs a number of tasks that include ensuring proper contract manager approval, availability of funding to pay the invoice, and entering the payment data into DFMS (in suspense mode). DDDS performs a peer review, approval, documentation, and DFMS coding. To ensure timely payment to the Family Support Services contractor, DDDS has an employee who is also a courier who hand-delivers these documents to the DHSS, Herman Holloway Campus Facility.

The transaction will not be processed and the invoice will not be paid until the Accounting Specialist at the DHSS Herman Holloway Campus Facility (New Castle) receives and approves the document. Since the transaction is already in DFMS, Herman Holloway Campus Facility employees review the DFMS information on the screen to that actual physical invoice, reviews the coding, and electronically approves the transaction, which allows the actual payment to be electronically processed by the Office of the State Treasurer. The AOA analysis of payments determined that, on average, it takes an additional six days to approve and process the payments. **Note:** The payment coding has already been reviewed through the peer review process at DDDS and is; therefore, a duplicated effort.

---

# FINDINGS AND RECOMMENDATIONS

---

## ***Cause***

Legacy processes no longer meet current operational and budget requirements.

## ***Effect***

By eliminating redundant data entry, review, and approval steps at DHSS Herman Holloway Campus Facility and eliminating DDDS courier services between DDDS and DHSS Facilities may reduce the average payment time for Family Support Specialists from 13 days to 7 days and may conservatively reduce handling and processing costs by over \$5,000 annually.

Discussion with DDDS employees disclosed that ***all*** DDDS payment transactions are processed through the Dover Facility, entered into DFMS in Suspense and invoice and payment voucher (PV) documentation is sent to DHSS at the Herman Holloway Campus Facility for final approval. Although AOA calculates a potential \$5,000 annual savings by changing the processing and approval of Family Support Specialist invoices, the potential saving may be far greater if all DDDS invoices were approved for payment at the Dover Facility. The approval process at the Herman Holloway Campus Facility appears redundant and current resources may be redeployed to duties that are more productive.

## ***Recommendation***

Processes should be enhanced to allow the DDDS Dover Facility to authorize and initiate payments to Family Support Specialists. Additionally, management should consider allowing the Dover Facility to approve payments for all DDDS vendors. Management may wish to reevaluate staff deployment at the DHSS Herman Holloway Campus Facility.

Management should reassess the current process of hand delivering documents between facilities. Resources currently devoted to document delivery maybe used for tasks that are more crucial. For time sensitive payments and documents, AOA recommends that approved documents be either electronically scanned and e-mailed or faxed to DDDS Dover facility for processing. Original documents should be mailed via the existing State mail channels, matched, and filed with the electronic/scanned documents at DDDS.

## ***Auditee Response***

While the DDDS Payments are well within the State's legal requirement of 30 days, DHSS agrees that greater efficiencies are possible through the enhanced utilization of technology. Towards this end, DHSS believes that this will be achieved via the implementation of First State Financials (FSF), which is scheduled to begin on July 1, 2010. In the meantime, the department will continue to refine its current processes to ensure that payments are made as efficiently as possible.

---

# DISTRIBUTION OF REPORT

---

Copies of this report have been distributed to the following public officials:

The Honorable Jack Markell, Governor, State of Delaware

The Honorable Russell T. Larson, Controller General, Office of the Controller General

The Honorable Joseph R. Biden III, Attorney General, Office of the Attorney General

Officials of Audited Entities

The Honorable Rita Landgraf, Secretary, Department of Health and Social Services

Dr. Roy Lafontaine, Acting Director, Division of Developmental Disabilities Services, Department  
of Health and Social Services

Ms. Valerie Smith, Chief of Administration, Division of Developmental Disabilities Services, Department  
of Health and Social Services